

# **The Energy Efficiency and Resource Management Council**

**Minutes-March 13, 2008**

**Department of Administration**

**Conference RM (B)**

## **CALL TO ORDER:**

**Meeting was called to order at 3:35 by Andrew Dzykewicz serving as Chairman**

**Members Present: Sam Krasnow, Alfred Degen, Joe Cirillo, Paul Ryan, Tim Stout and Vic Allienello**

**Others Present Jerry Elmer, Joe Newsome, Ken Payne and John Farley**

**Staff: Tim Howe, Lydia Cruz and Pat Condon**

**Consultant: VEIC- Scudder Parker**

**Acceptance of Minutes- A motion to accept the minutes of the February 28, 2008 EERMC meeting as presented was made by Paul Ryan and seconded by Al Degen.**

**Executive Directors/Executive Secretary Report**

**Andrew Dzykewicz provided the council with an update/progress on the Governors five point energy plan.**

**Natural Gas Supply- No change from last month- we made it through the winter with no problems.**

**Reforming the Wholesale Electric Market- No change or progress from last month**

**Low Income Assistance- OER will be looking at alternatives for next year because of the anticipated staffing shortages on the emergency program within LIHEAP assistance. It was reported that the program may end up going to the Community Action Agencies which may prove to be more cost effective.**

**Wind Power Initiative-**

**Mr. Dzykewicz explained to the members that the process the State used was very inclusive right from the beginning by having a formal stakeholders process with on-going meetings to address any concerns that people may have. Mr. Dzykewicz further explained that the (Coastal Resource Management Council) decision to go forward with a (Special area Management Plan) which will establish zones may lead to getting the project off the ground sooner. Paul Ryan suggested that a member of this body could participate in that**

process with CRMC and Sam Krasnow stated that the language that governs this Council is broad enough to allow participation in matters like this. At this point, Joe Cirillo volunteered his services to be the representative from the Council with the stipulation that he could draw on the experience of other members as needed. A motion was made by Paul Ryan to appoint Joe Cirillo as the representative from the Council to participate in the “Special Area Management Plan” with CRMC received unanimous approval from voting members.

### **State Wide Energy Efficiency/Education**

Mr. Dzykewicz reported that OER has appeared before House Finance Committee recently to secure Kushner approval to go forward with the efficiency work we would like to do at the Pastore Center and Zambarano Hospital. Unfortunately, it didn’t get heard. Mr. Dzykewicz provided the members with the following example on why this concept is good for the State of Rhode Island.

Pastore Center- \$42,000.000 in efficiency measures will produce \$83,000.000 in savings over estimated life of equipment.

Zambrano Hospital- \$5,000,000 in efficiency measures will produce \$7-8 million in savings over life of equipment.

Mr. Dzykewicz further stated that the goal behind all this work is to replace aged equipment that needs to be replaced anyway-and pay

for it through energy savings, ultimately saves State government a great deal of money.

Mr. Dzykewicz also discussed legislation that will be dangerous to OER, if it goes forward. The bill would transfer the Renewable Energy Fund from OER to Economic Development Corporation, and that would consolidate all renewable funding and safeguard the money from the General Assembly which has some merit. However, this change would lead to serious implications for our base grant funding from the Department of Energy and other funding opportunities that require State match.

Mr. Dzykewicz also reported that the guidance for energy efficiency procurement rules was delivered to the PUC in a timely manner.

Vic Allienello asked Mr. Dzykewicz for a update on funds that were generated from the Rhode Island Energy Affordability Act of 2006. Mr. Dzykewicz responded by saying that if we do receive any funds, it would take place sometime after January 09, and would be used to support low income energy programs.

Mr. Dzykewicz reiterated to the members that this body must submit an annual report by April 15th of each year, on the activities of the council, its assessment of energy issues, the status of system reliability and energy efficiency and conservation procurement. This report is to be submitted to the joint committee on energy which may

not exist. At this juncture, Sam Krasnow suggested that we provide an overview to the leadership on both House/Senate on the progress this body has made to date. Further discussion continued among Mr. Dzykewicz, Mr. Krasnow and Mr. Ryan on the content of the report due on/or before April 15, 2008.

At this point, Mr. Scudder Parker the council consultant, thanked everyone who participated in drafting the guidance language on "least cost procurement" that was submitted to the PUC within the required time frame of March 1, 2008. Mr. Parker then informed the members that in his view, it's not perfectly clear what my job is as a consultant, and who my boss is. He then reiterated to the members that VEIC has a contract to be a resource to this "council" and have a large team of people to help. Mr. Parker then informed the members that most of the work completed to date has been completed by him, because it's been at the policy level.. However, if it's the wish and desire of this council as we go forward, we have folks with expertise in program design, monitoring, evaluation and if you like, could provide the necessary training for members of this body.

The next area for discussion was the handout that was prepared by Mr. Parker on "continuing key ideas" that summarizes major points for potential dialog among members, and serves as an outline on issues that need immediate attention. Mr. Dzykewicz provided examples such as bylaws for this council and the appointment of a chairman and vice chairman by the Governor. Mr. Parker went on to

say he has been spending a great deal of time getting acquainted with folks from the Division, John Farley-TEC-RI and representatives from the Collaborative which he found to be very helpful on getting the lay of the land in Rhode Island.

Mr. Parker then summarized the next big project as being the “Opportunity Report” which Mr. Krasnow and Mr. Parker have spent time working on. Mr. Parker reiterated to the members that they have authorized the consultant subcommittee to proceed with the process by sending out the RFP and completing the review process. Tim Stout stated that because there is such a growth in energy efficiency work throughout the country, and with National Grid’s own experience doing this, it may be difficult in getting a number of responders at this time. Mr. Parker then stated that if it’s the wish of the council for VEIC to manage the consultants work, that they would be happy to provide the resources to do that task. Mr. Krasnow then added that there are provisions built in the contract for VEIC to manage other consultants for council related work.

Al Degen added that he has some concern on the level of commitment and technical knowledge that is required in order to serve on this council, which he is not prepared to make at this time. Mr. Parker added that he understands this concern loud and clear and would like to work towards making everyone more comfortable as the process moves forward. Mr. Dzykewicz responded to these concerns by saying –once we have the other

slots on the council filled, you will not need to take on any additional responsibility. Mr. Ryan added that it could take a whole year to get up to speed on some of this detail.

Joe Cirillo informed the members that he will be out of state for the next scheduled meeting of April 3, 2018

The meeting was just breaking up, when Mr. Dzykewicz asked for some form of a financial statement showing consultant cost, which was agreed too for next regular scheduled meeting.

A motion to adjourn was called by Paul Ryan and seconded unanimously by the members at 6:15pm.